

Joint Legislative Audit
and Review Commission

Annual Workplan Salary Scale Adjustments

May 14, 2001

**AUDITOR OF
PUBLIC
ACCOUNTS**



COMMONWEALTH OF VIRGINIA

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WORKPLAN

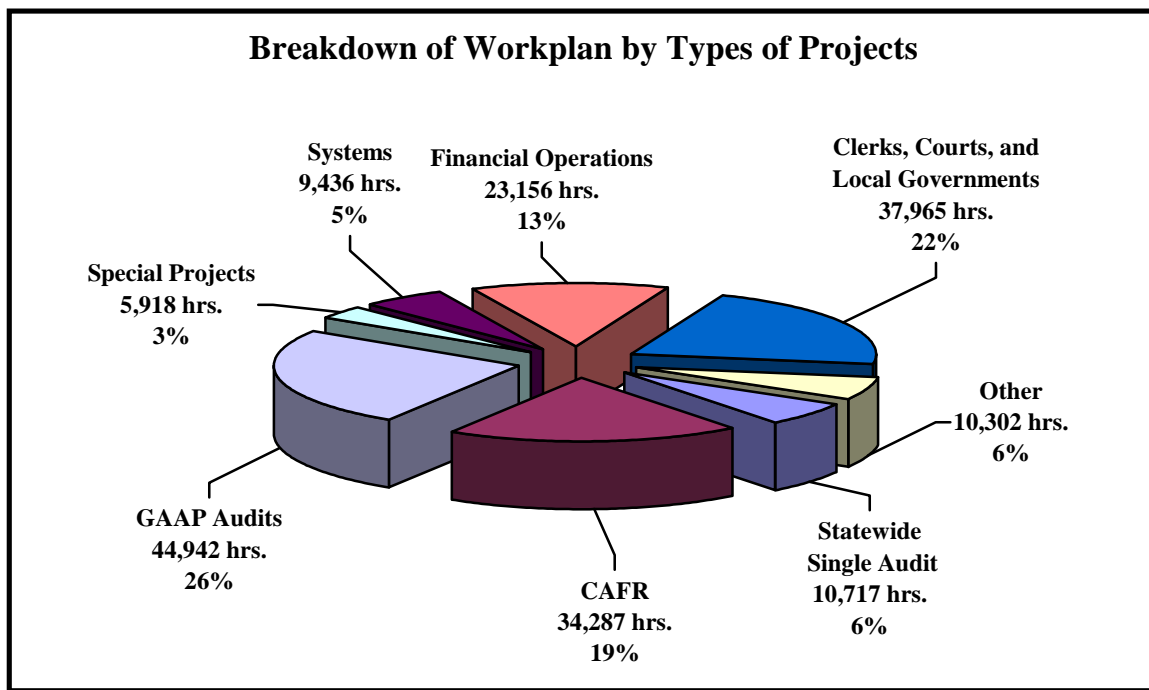
TAB 1

Breakdown of Workplan by Types of Projects
Summary of Proposed Annual Workplan
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Notes and Other Information

SALARY SCALES

TAB 2

Letter Requesting Change to Salary Scales
Proposed Salary Scales



CAFR – Audit of the Comprehensive Annual Financial Report of the Commonwealth of Virginia includes work performed at the Department of Accounts and those agencies that are material to the CAFR. Agency audits include the Departments of Taxation, Motor Vehicles, Transportation, General Services, Corrections, Medical Assistance Services, Rehabilitative Services, Education, Health, Social Services, and Alcohol Beverage Control; the State Corporation Commission; Virginia Employment Commission, State Lottery; Virginia College Savings Plan; and Virginia Retirement System.

GAAP Audits – Audits of financial statements prepared in accordance with Generally Accepted Accounting Principles. These audits include the Virginia Port Authority, Center for Innovative Technology, Virginia Biotechnology Research Park, Wireless E911 Service Board, Virginia Commercial Space Flight Authority, all colleges and universities, and financing authorities.

Statewide Single Audit – Audit of major federal programs in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Financial Operations – Financial-related audits of agencies include review of the accuracy of recording financial transactions, adequacy of internal controls, and compliance with applicable laws and regulations.

Systems Reviews – Review development and implementation of new information systems, controls over existing systems, SAS 70 review of the Department of Information Technology Service Bureau, and review of network security controls for agencies exempt from DIT's firewall.

Special Projects – These projects include reviews of statewide purchasing and contract management policies and procedures and the seat management methodology; a follow-up of statewide small purchase charge card; monitoring the implementation of eVA, the statewide electronic procurement solution; development of statewide audit approaches to health and human services programs and the new Workforce Investment Act. Other special projects involve performance measures, implementation of GASB34, audits of regional health planning agencies, and understanding the State Council for Higher Education's monitoring procedures over higher education institutions.

Clerks, Courts, and Local Governments – Audits of clerks of the circuit courts, district courts, general receivers, and local treasurers collecting state funds. Also, includes work done in preparing Comparative Report of Local Government Revenues and Expenditures.

Other – Includes other audits, reviews, agreed-upon procedures, and other projects in the workplan.

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED ANNUAL WORKPLAN
FOR FISCAL YEAR 2001**

SPECIAL PROJECTS	7,658
JUDICIAL BRANCH	846
EXECUTIVE DEPARTMENTS	
Executive Offices	514
Administration	2,738
Commerce and Trade	6,045
Education	53,227
Finance	17,905
Health and Human Services	16,359
Natural Resources	3,720
Public Safety	9,806
Technology	1,236
Transportation	10,188
INDEPENDENT AGENCIES	8,516
LOCAL GOVERNMENTS, CLERKS, AND COURTS	<u>37,965</u>
TOTAL WORKPLAN HOURS	<u><u>176,723</u></u>

SPECIAL PROJECTS

eVA Implementation Review	1,100
<i>Objectives: To monitor the implementation of eVA, the Department of General Service's statewide electronic procurement solution, and review and determine the adequacy of eVA and its surrounding controls. The review will also determine eVA's compatibility with other agency and statewide systems.</i>	
Small Purchase Charge Card Study	990
<i>Objectives: To follow-up on the statewide SPCC program findings and recommendations contained in the Auditor of Public Accounts December 1, 2000 special report. In addition, using a risk-based approach, select agencies to test small purchase charge card purchases for reasonableness, compliance, and proper approval.</i>	
Statewide Purchasing Review	550
<i>Objectives: To review and determine the propriety and adequacy of statewide purchasing and contract management policies and procedures. To review statewide cooperative procurement efforts. To determine the propriety of implementation and promotion of the "Best Value" concept in procurement policies to ensure maximum competition without violating the Virginia Public Procurement Act (VPPA). To determine the adequacy of Division of Purchase and Supply(DPS) periodic on-site reviews and the available training provided by DGS/DPS given the changes and automation of procurement functions.</i>	
Total Cost of Ownership (TCO) Study	660
<i>Objectives: To review the implementation of the seat management methodology developed by the Council on Technology Services for reasonableness and adequacy. Using a risk-based approach, select agencies to review the Total Cost of Ownership Study process. To review seat management contracts for reasonableness.</i>	
Performance Measures Database	90
<i>Objectives: To analyze data maintained in the Department of Planning and Budget's performance measures database for trends or unusual information.</i>	
GASB 34 Implementation Project	800
<i>Objectives: To continue to review the impact of accounting and auditing changes necessary to implement GASB Statement 34.</i>	
DIT Service Bureau Review	1,000
<i>Objectives: To continue SAS 70 audit of policies and procedures of the Service Bureau, which is used by agencies for information systems data processing.</i>	
Agency Network Security Review	740
<i>Objectives: This is a continuation of the prior year project to ensure proper network security controls are in place for all agencies that are exempt from authenticating through DIT's firewall. This project includes those agencies connected through DGS's backbone for Internet services.</i>	

Statewide Planning for Health and Human Resources Programs	400
<i>Objectives: To develop a statewide audit approach for programs under the Secretary of Health and Human Services that are administered by multiple agencies.</i>	
Health Insurance Portability and Accountability Act (HIPAA) Implementation Review	472
<i>Objectives: To review the implementation of the new requirements imposed by the Health Insurance Portability and Accountability Act (HIPAA) that affect the nations healthcare industry. These requirements include system security regulations and medical privacy laws, in addition to standardizing electronic transaction formats.</i>	
Regional Health Planning Agencies	176
<i>Objectives: Chapter 1073 Acts of Assembly 2000 (Appropriation Act) Item 305.B.3 requires the Auditor of Public Accounts to annually audit the regional Health Planning Agencies.</i>	
State Council of Higher Education of Virginia	300
<i>Objectives: To gain a better understanding of the monitoring procedures that SCHEV performs over the Higher Education institutions in Virginia to improve our audit process of Colleges and Universities.</i>	
Workforce Investment Act Statewide Review	<u>380</u>
<i>Objectives: To develop a statewide audit approach to the new Workforce Investment Act federal program and determine the roles, responsibilities, and funding levels of each agency involved.</i>	
Total Special Projects	<u><u>7,658</u></u>

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED ANNUAL WORKPLAN
FOR FISCAL YEAR 2001**

JUDICIAL BRANCH

Supreme Court	380
Public Defender Commission	120
State Bar Examiners	66
Virginia State Bar	280
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Total Judicial Branch	846
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EXECUTIVE DEPARTMENTS

Executive Offices

Governor, Lieutenant Governor, Cabinet Secretaries ¹	290
Attorney General and Department of Law	224
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Total Executive Offices	514
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Administration

Department of General Services ²	1,552
State Board of Elections	92
State Compensation Board	272
Department of Veterans' Affairs	224
Department of Human Resource Management	598
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Total Administration	2,738
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Commerce and Trade

Department of Agriculture and Consumer Services ³	656
Milk Commission	56
Virginia Economic Development Partnership	600
Department of Business Assistance	224
Virginia Employment Commission	2,160
Department of Professional and Occupational Regulation	305
Department of Housing and Community Development	636
Department of Mines, Minerals, and Energy	450
Department of Forestry	480
Department of Labor and Industry	124
Department of Minority Business Enterprise	184
Racing Commission	170
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Total Commerce and Trade	6,045
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Education

Department of Education	1,970
Virginia Commission for the Arts	184
State Council of Higher Education	468
Library of Virginia	324
Museums ⁶	828
Virginia Community College System	10,120
Christopher Newport University	1,664
George Mason University	2,102
James Madison University	2,454
Longwood College	1,308

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED ANNUAL WORKPLAN
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Mary Washington College	1,536
Norfolk State University	2,566
Old Dominion University	1,865
Radford University	1,285
University of Virginia	4,640
University of Virginia Medical Center	3,670
Southwest Virginia Higher Education Center	88
Virginia Commonwealth University	4,218
Virginia Biotechnology Research Park Authority	280
Virginia Military Institute	1,285
Virginia Polytechnic Institute and State University	5,144
Virginia State University	3,224
The College of William and Mary	2,004
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Total Education	53,227

Finance

Department of Accounts/CAFR/SSA ⁴	12,142
Department of Planning and Budget	300
Department of Taxation	4,562
Virginia Public School Authority	215
Virginia Public Building Authority	356
Virginia College Building Authority	330
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Total Finance	17,905

Health and Human Resources

Department of Health	3,750
Department of Medical Assistance Services	2,760
Department of Mental Health, Mental Retardation, and Substance Abuse Services	2,889
Department of Social Services	4,500
Department for the Aging	280
Department of Health Professions	305
Other Health and Human Resources Agencies ⁷	1,875
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Total Health and Human Resources	16,359

Natural Resources

Department of Game and Inland Fisheries	510
Marine Resources Commission	528
Department of Conservation and Recreation	1,120
Department of Historic Resources	174
Department of Environmental Quality	1,140
Chesapeake Bay Local Assistance Department	152
Potomac River Fisheries Commission	96
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Total Natural Resources	3,720

**AUDITOR OF PUBLIC ACCOUNTS
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FOR FISCAL YEAR 2001**

Public Safety

Department of Alcoholic Beverage Control	2,225
Department of Corrections ⁵	2,840
Virginia Correctional Enterprises	805
Commonwealth's Attorneys' Services Council	132
Department of Correctional Education	404
Department of Criminal Justice Services	756
Department of Fire Programs	550
Department of Juvenile Justice	660
Department of Military Affairs	174
Department of State Police	650
Department of Emergency Management	610
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Total Public Safety	9,806

Technology

Department of Information Technology	660
Innovative Technology Authority/Center for Innovative Technology	396
Virginia Information Provider Network Authority	180
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Total Technology	1,236

Transportation

Department of Transportation	5,910
Department of Motor Vehicles	2,450
Department of Rail and Public Transportation	360
Department of Aviation	136
Motor Vehicle Dealer Board	92
Virginia Port Authority	1,240
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Total Transportation	10,188

INDEPENDENT AGENCIES

State Corporation Commission	920
State Lottery Department	1,275
Virginia Retirement System	3,625
Virginia College Savings Program	840
Workers Compensation Commission	440
Virginia Small Business Financing Authority	110
Local Government Investment Pool	100
A.L. Philpott Center	176
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Virginia Public Broadcasting	92
Wireless E-911 Service Board	130
Rappahannock River Basin Commission	96
Virginia Tobacco Settlement Foundation	104
Tobacco Indemnification and Community Revitalization Commission	200
Commonwealth Health Research Fund	92
Virginia Tourism Authority	176
Commercial Space Flight Authority	140
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Total Independent Agencies	8,516

**AUDITOR OF PUBLIC ACCOUNTS
PROPOSED ANNUAL WORKPLAN
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LOCAL GOVERNMENTS, CLERKS, AND COURTS

State Accounts (135)	6,000
Circuit Courts (121)	15,125
General Receivers (30)	810
District Courts (200)	12,930
Comparative Report	2,700
Quality Reviews – Local Government Audits	<u>400</u>
Total Local Governments, Clerks, and Courts	<u>37,965</u>
 TOTAL WORKPLAN HOURS	 <u><u>176,723</u></u>

AUDITOR OF PUBLIC ACCOUNTS PROPOSED ANNUAL WORKPLAN FOR FISCAL YEAR 2001

NOTES AND OTHER INFORMATION

Audit Risk Model

The Office continues to use an audit risk model to identify those agencies with good internal control and compliance systems. For the 2002 workplan, we have included all agencies and institutions in the proposed workplan. We will schedule the audits based on the requirements of the Code of Virginia and other laws, regulations, or requirements, and on the results of the risk model. Those entities with higher risk will be performed first. As in prior years, should there be a need to reduce the workplan, we would perform the audits with the least risk during the next year's workplan. Based on the risk model results, the following agencies have been audited during the 2001 workplan and would be subject to deferral to the next year's workplan.

Department of Fire Programs	Marine Resource Commission
Department of Historic Resources	Department of Labor and Industry
State Bar Examiners	Department of Forestry
Department of Health Professions	Department of Veterans' Affairs
Department of Military Affairs	Public Defender Commission
Virginia Commission for the Arts	

Agencies with Consolidated Financial Operations

¹ *Office of the Governor* includes the Office of the Lieutenant Governor, Cabinet Secretaries, and Selected Agency Support Services, which include the Secretary of the Commonwealth, Virginia Veterans' Care Center, Interstate Organization Contributions, Virginia Liaison Office, Charitable Gaming Commission, and the Commission on Competitive and Equitable Tax Policy.

² *Department of General Services* includes the War Memorial Foundation, Commission on Local Government, Department of Employee Relations Counselors, Council on Human Rights, and the Council on Information Management.

³ *Department of Agriculture and Consumer Services* includes the Virginia Agricultural Council.

⁴ *Department of Accounts/CAFR* (Comprehensive Annual Financial Report)/SSA(Statewide Single Audit) includes the Department of the Treasury, Treasury Board, and the State Internal Auditor.

⁵ *Department of Corrections* includes the Virginia Parole Board.

Consolidated Reports

We have combined agencies for reporting purposes based on similar missions and objectives.

⁶ *Museum Audit* includes the following agencies: Science Museum of Virginia, Virginia Museum of Fine Arts, Frontier Culture Museum, Virginia Museum of Natural History, Board of Regents - Gunston Hall, and Jamestown-Yorktown Foundation.

⁷ *Other Health and Human Resources agencies* include Department of Rehabilitative Services, Department for the Visually Handicapped, Department for the Deaf and Hard-of-Hearing, Department for the Rights of Virginians with Disabilities, and the Virginia Board for People with Disabilities.

We also issue a combined audit report for those agencies within the Secretary of Finance (Department of Accounts, Department of the Treasury, Treasury Board, Department of the State Internal Auditor, Department of Planning and Budget, and the Department of Taxation.)

May 14, 2001

The Honorable Vincent F. Callahan, Chairman
and the Members, Joint Legislative Audit and Review Commission
General Assembly Building
Capitol Square
Richmond, Virginia 23219

Gentlemen:

Pursuant to Sections 2.1-111 and 2.1-172 of the Code of Virginia, the Commission establishes the scales of pay and number of positions for this Office. The Commission last established the scales and positions on May 8, 2000. We are requesting the adoption of the new salary scales for the Project Leader Pay Band effective with this meeting. This adjustment will bring the Project Leader salary scale in line with comparable positions under the Commonwealth's Compensation Reform Plan.

Individuals residing in the Northern Virginia pay differential area will receive the state supplement following Department of Personnel and Training guidelines.

The foregoing is subject to the usual understanding that this Office retains the flexibility to staff in excess of the authorized number of positions so long as the costs remain within our appropriations.

Sincerely,

Walter J. Kucharski
Auditor of Public Accounts

**COMMONWEALTH OF VIRGINIA
AUDITOR OF PUBLIC ACCOUNTS
PROPOSED SALARY SCALES**

AUDIT AND AUDIT SUPPORT

Position	<u>Number of Positions</u>		Present Scale	Proposed Scale
	2001	2002		
Deputy Auditor	1	1	\$71,190 - \$113,575	\$71,190 - \$113,575
Project Leader	12	16	49,973 - 94,990	54,500 - 111,700
Auditor	45	45	37,325 - 71,450	37,325 - 71,450
Staff	<u>86</u>	<u>82</u>	22,457 - 47,250	22,457 - 47,250
Total	<u>144</u>	<u>144</u>		

ALLOCATION OF STAFF POSITIONS

Audit	75	71
Audit Support	<u>11</u>	<u>11</u>
Total	<u>86</u>	<u>82</u>